



सत्यमेव जयते

दिनांक/Date: 16.08.2024

संख्या:म.ले.(ले.प.)/AMG-I/JBVNL/A/cs/A-219/187

सेवा में,

प्रबंध निदेशक

झारखण्ड बिजली वितरण निगम लिमिटेड

अभियंत्रण भवन

एच.ई.सी, धुर्वा

राँची - 834004.



विषय: 31 मार्च 2023 को समाप्त वर्ष के लिए झारखण्ड बिजली वितरण निगम लिमिटेड के वित्तीय विवरणी एवम् समेकित वित्तीय विवरणी (Financial Statements and Consolidated Financial Statements) पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणीयां।

महोदय,

31 मार्च 2023 को समाप्त वर्ष के लिए झारखण्ड बिजली वितरण निगम लिमिटेड के वित्तीय विवरणी एवम् समेकित वित्तीय विवरणी (Financial Statements and Consolidated Financial Statements) पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणीयां संलग्न है। इस पत्र की पावती की अभिस्वीकृति वांछित है। प्रमाणपत्र को कंपनी की वार्षिक आम बैठक में रखा जा सकता है और एजीएम के कार्यवृत्त की एक प्रति इस कार्यालय को भेजी जा सकती है। वर्ष 2022-23 के लिए कंपनी की मुद्रित वार्षिक रिपोर्ट भी इस कार्यालय को भेजी जा सकती है।

संलग्नक: यथोपरि।

2-3 307512

(इन्दु अग्रवाल)

प्रधान महालेखाकार (लेखापरीक्षा)

San/ax/ 7/6/24

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013, ON THE FINANCIAL STATEMENTS OF JHARKHAND BIJLI VITRAN NIGAM LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Preparation of the financial statements of Jharkhand Bijli Vitran Nigam Limited (JBVNL), Ranchi, for the year ended 31 March 2023, in accordance with the financial reporting framework prescribed under the Companies Act, 2013, is the responsibility of the management of the Company. The Statutory Auditor/Auditors, appointed by the Comptroller and Auditor General of India, under Section 139 (5) of the Act, is responsible for expressing opinion on the financial statements, under Section 143 of the Act, based on independent audit, in accordance with the standards on auditing, prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report, dated 11 October 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Jharkhand Bijli Vitran Nigam Limited, for the year ended 31 March 2023, under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently, without access to the working papers of the statutory auditors, and is limited primarily to inquiries of the statutory auditors and company personnel, and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act, which have come to my attention, and which in my view are necessary, for enabling a better understanding of the financial statements and the related Audit Report:

A. Comments on Profitability

1. Statement of Profit and Loss: Expenses- Purchases of Power and Transmission Charges – ₹ 7,69,102.96 lakh (Note-26).

‘Purchases of Power and Transmission Charges’ does not include ₹ 530.42 crore, being the amount of Late Payment Surcharge for the period from 01.04.2022 to 31.03.2023, claimed by Jharkhand Urja Sancharan Nigam Limited (₹ 202 crore) and Tenughat Vidyut Nigam Limited (₹ 328.43 crore), but not accounted for in FY 2022-23, by JBVNL.

Non-accountal of the same has resulted in understatement of ‘Purchases of Power and Transmission Charges’, as well as, ‘Other Current Financial Liabilities-Trade payables’ by ₹ 530.42 crore.

2 Statement of Profit and Loss: Revenue from operations- Rebate allowed to consumers- ₹ 7,483.65 lakh (Note 23).

'Rebate allowed to consumers' does not include an amount of ₹ 15.16 crore, being rebate allowable to consumers, for delays beyond two months in issue of bills. This had resulted in benefits of ₹ 15.16 crore not being passed on to the consumers.

Thus, benefits not passed on to the consumers resulted in overstatement of 'Revenue from operations' and 'Trade Receivables', and understatement of Loss for the current year, by ₹15.16 crore.

B. Comments on Financial Position

3. Balance Sheet: Trade Payables- ₹ 9,11,507.78 lakh (Note 19)

'Trade Payables' include an amount of ₹ 4,577.18 crore being trade payables to JUSNL (₹1,033.89 crore) and TVNL (₹ 3,543.29 crore) as on 31.03.2023. However, a total amount of ₹ 7,267.57 crore has been recognised by JUSNL (₹ 1,698.87 crore) and TVNL (₹ 5,568.70 crore), as Trade receivables from JBVNL, as on 31.03.2023.

Thus, non-recognition of a similar amount as trade payables by JBVNL has resulted in understatement of 'Trade Payables' and Loss for the current year, by ₹ 2,690.39 crore.

C. General

4. Note No. 9

Balances with banks amounting to ₹ 903.26 crore has been shown as closing balance as on 31.03.2023. On scrutiny of trial balance as on 31.03.2023, it was noticed that there was a Head namely, "Board's Working Fund (Revenue, Security Deposit from Consumer, Consumer Contribution & Increase in cash with Division)" showing cumulative credit cash and bank balance of ₹ 161.68 crore. As per Ind AS 7, Cash comprises cash-in-hand and demand deposits and Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. So, any ledger of Cash and Cash equivalents cannot have credit balances.

5. Note No. 8-Trade Receivable: -₹. 5,39,396.55 Lakh

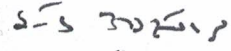
'Trade Receivables' have been arrived at by making a provision of ₹ 3,308.61 crore for doubtful debts. It is noticed that the provision for doubtful debts (₹ 2,821.21 crore) during the JSEB period (as on 06.01.2014) was 85.04 *per cent* of the total debts (₹ 3,317.39 crore) outstanding as on 06.01.2014. However, provision for doubtful debts of ₹ 3,308.61 crore (Total debts: ₹ 8,702.57 crore) as on 31.03.2023 was only 38.02 *per cent*.

Since the Company has not maintained age-wise and customer-wise details of debt outstanding, provision of ₹ 3,308.61 crore made against the total debt of ₹ 8,702.57 crore as on 31.03.2023 is insufficient as the ability to collect the dues has declined over the years while the Trade Receivables have increased by 162.33 *per cent* from 2014 to 2023.

Further, the Company has neither presented the Trade Receivables as per the requirement of Ind AS Schedule III nor reassessed the requirement of provision for Bad and Doubtful Debts in the light of Para 32 of Ind AS 8 which provides for estimation, involving judgements based on the latest available, reliable information.

Place: Ranchi
Date: 14-08-2024.

For and on behalf of the
Comptroller & Auditor General of India


(Indu Agarwal)
Principal Accountant General (Audit)
Jharkhand, Ranchi.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013, ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JHARKHAND BIJLI VITRAN NIGAM LIMITED FOR THE YEAR ENDED 31 MARCH 2023.

Preparation of consolidated financial statements of Jharkhand Bijli Vitran Nigam Limited, for the year ended 31 March 2023, in accordance with the financial reporting framework prescribed under the Companies Act, 2013, is the responsibility of the management of the Company. The Statutory Auditor/auditors appointed by the Comptroller and Auditor General of India, under Section 139 (5) read with Section 129 (4) of the Act, is responsible for expressing opinion on the financial statements under Section 143, read with Section 129 (4) of the Act, based on independent audit in accordance with the standards on auditing, prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Jharkhand Bijli Vitran Nigam Limited for the year ended 31 March 2023, under Section 143(6) (a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Jharkhand Bijli Vitran Nigam Limited, but did not conduct supplementary audit of the financial statements of Patratu Vidyut Utpadan Nigam Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors, and is limited primarily to inquiries of the statutory auditors and company personnel, and a selective examination of some of the accounting records.

Based on my Supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) read with Section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

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Since the Company has not maintained age-wise and customer-wise details of debt outstanding, provision of ₹ 3,308.61 crore made against the total debt of ₹ 8,702.57 crore as on 31.03.2023 is insufficient as the ability to collect the dues has declined over the years while the Trade Receivables have increased by 162.33 *per cent* from 2014 to 2023.

Further, the Company has neither presented the Trade Receivables as per the requirement of Ind AS Schedule III nor reassessed the requirement of provision for Bad and Doubtful Debts in the light of Para 32 of Ind AS 8 which provides for estimation, involving judgements based on the latest available, reliable information.

For and on behalf of the
Comptroller & Auditor General of India

Place: Ranchi
Date: 14-08-2024.


(Indu Agarwal)
Principal Accountant General (Audit)
Jharkhand, Ranchi